Key Information Document

Purpose

This document provides you with **key information about this investment product**. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product name	FX Participating Forward
Legal name	Nordea Bank Abp
Regulated by	Finnish Financial Supervisory Authority
Produced	01.11.18
	Call +358 200 3000 for more information or visit www.nordea.com

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

This product is a derivative contract in the form of a forward relating to currencies.

Objectives

- The objective of this product is to give you the right (for an agreed larger amount) and the obligation (for an agreed smaller amount) to exchange one currency for another currency at a fixed rate (strike price) on a specified future date (expiry date). It may be used as a protection against adverse changes in exchange rates.
- The product achieves its objective by you and Nordea agreeing to the terms of the FX Participating Forward, under which (1) Nordea gives you the right to exchange an agreed larger amount of one currency (Ccy1) for another currency (Ccy2) at a fixed rate (strike price) on the expiry date and (2) you undertake an obligation to exchange an agreed smaller amount of Ccy1 for Ccy2 at the same fixed rate (strike price) on the same expiry date. The exchange rate on the expiry date compared to the strike price determines whether the larger or the smaller agreed amount will be exchanged.
- FX Participating Forward consists of a bought and a sold FX Option (European) for different amounts and for the same strike price. The ratio between the larger and the smaller agreed amounts is usually referred to as the participation rate. The participation rate is commonly 2:1, meaning the amount for the right is twice the amount for the obligation.
- Usually you will not be required to pay an option premium for this product (zero-cost). The exchange rate on the expiry date determines whether your right for the larger amount or your obligation for the smaller amount of Ccy1 is exchanged for Ccy2 at the agreed strike price. The actual payments of the agreed amounts will take place at a specified date (settlement date) after the expiry date.
- If a premium is paid, it will not be returned.
- If pre agreed it is possible to cash-settle the value of the FX Participating Forward against a specified reference rate (fixing rate). The date and the source of the fixing rate are pre agreed.
- The market value of the FX Participating Forward is exposed to changes in the current exchange rate between the currencies, in the market rate of interest rates in both currencies, in the implied market volatility of the currency pair and the time to maturity.
- The FX Participating Forward is a bilateral agreement that cannot ordinarily be terminated unilaterally by either you or Nordea. It is a product that is entered into for its term, although early termination may occur in the event of a default of either you or Nordea. The agreement between you and Nordea provides that if certain exceptional events occur (1) Nordea may make adjustments to certain products and/or (2) Nordea or you may terminate the product early. These events are specified in more detail in the agreement between you and Nordea. The product may also be terminated upon mutual agreement. The amount (if any) you receive or pay on such early termination is likely to be different from the scenarios described in this document.
- You may not be able to terminate this product even though you or Nordea have terminated or discontinued a product or a commercial flow that this product is aimed to hedge.
- Illustrative terms are set out below, which are illustrative of the terms of an FX Participating Forward, but which do not reflect the exact terms you agree with Nordea. The exact terms will be set out in an individual trade confirmation.

Trade date	15.12.17
Maturity date	12 months from the trade date
Currency 1	USD
Currency 2	EUR
Strike price 1	1,1316
Nominal amount	10 000 EUR
Nominal amount 2	5 000 EUR

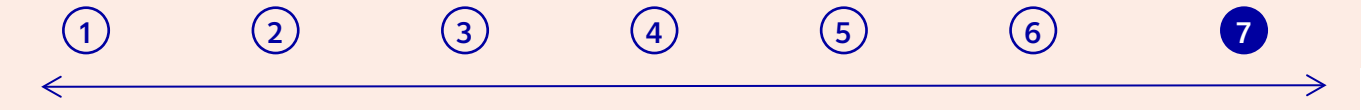
Note that the performance and cost figures presented in the sections below are based on the recommended holding period of this product, which is less than one year. This might impact the comparability with other products for which the figures are presented per year.

Intended retail investor

The product FX Participating Forward is aimed at retail clients, who are interested in capital growth, hedging, income and other investment objectives and who have a very short-term investment horizon of less than 1 year. The FX Participating Forward is a product for basic investors, informed investors or advanced investors.* The investor is able and willing to bear losses up to a certain range of the investment amount and puts no moderate emphasis on capital protection. On a scale of risk ranging from 1 (very low risk tolerance; very low to low return) to 7 (very high risk tolerance; highest return) the product FX Participating Forward falls in risk category 7.

What are the risks and what could I get in return?

Risk indicator



The risk indicator assumes you keep the product for 12 months.
You may not be able to end your product early. You may have to pay significant extra costs to end your product early.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level, and poor market conditions are very unlikely to impact the capacity of Nordea Bank Abp to pay you.
When this product is combined with other products or commercial positions, the total portfolio will have a different net risk profile.
This product does not include any protection from future market performance so you could incur significant losses.
If we are not able to pay you what is owed, you could incur significant losses.

Performance scenarios

Nominal amount 10 000 EUR* Scenarios		12 months (Recommended holding period)
Stress scenario	What you might get back or pay after costs	9 334,82 EUR
	Percentage return	-6,65 %
Unfavourable scenario	What you might get back or pay after costs	9 817,94 EUR
	Percentage return	-1,82 %
Moderate scenario	What you might get back or pay after costs	10 021,95 EUR
	Percentage return	0,22 %
Favourable scenario	What you might get back or pay after costs	10 430,44 EUR
	Percentage return	4,3 %

This table shows the money you could get back or pay over the next 12 months, under different scenarios, assuming that you invest10 000 EUR. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where Nordea Bank Abp is not able to pay you. This product cannot be easily ended. This means it is difficult to estimate how much you would get back if you end before maturity. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.
* The calculation is based on the notional of the contract (in this example 10 000 EUR).

What happens if Nordea Bank Abp is unable to pay out?

When buying the product you assume a credit risk on the issuer. In the event of the issuers bankruptcy, the holder of the product will have an unsecured claim versus the bank. Note that the product is not covered by any deposit guarantee scheme.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, ongoing and incidental costs.
The amounts shown here are the cumulative costs of the product itself, for the recommended holding period. They include potential early exit penalties. The figures assume you invest 10 000 EUR. The figures are estimates and may change in the future.

* Basic investors have basic knowledge of relevant financial instruments and/or with no financial industry experience. Informed investors have average knowledge of relevant financial products and/or some financial industry experience. Advanced investors have good knowledge of relevant financial products and transactions, and/or financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Nominal amount 10 000 EUR	If you end at the recommended holding period
Total costs	EUR 219,00
Impact on return (RIY)	2,19 %

Composition of costs

The table below shows:

- The impact of the different types of costs on the performance of the product at the end of the recommended holding period.
- What the different cost categories mean.

This table shows the impact on return

One-off costs	Entry costs	2,19 %	The impact of the costs you pay when entering your investment.
	Exit costs	n.a.	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0 %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0 %	The impact of the costs that we take for managing your investments and the costs presented in Section II.

How long should I hold it and can I take money out early?

Recommended holding period: 12 months

This product is designed for staying invested until the maturity date.
This product cannot be easily ended. This means it is difficult to estimate how much you would get if you end before maturity. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so.

How can I complain?

Any complaint regarding the product or the conduct of the manufacturer or persons within Nordea advising on, or selling the product can be submitted under the following website https://www.nordea.fi/tietoa-nordeasta/tietoa-nordeasta/palveluasiamies.html, in written form to Nordea Bank Abp, Palveluasiamies, 2219 Household, 00020 NORDEA or via email to palveluasiamies@nordea.com.

Other relevant information

The derivative master agreement governing the product is provided to you as separately agreed. Arrangements for mitigating credit risk may also be agreed between you and Nordea when required. The information contained in this Key Information Document does not constitute a recommendation to buy or sell the product and is no substitute for individual consultation with your bank or advisor. Nordea uses an independent external vendor to calculate the performance scenarios according to the methodology prescribed in the PRIIPs regulation and the supplementing regulatory technical standard. The methodology may cause the performance scenarios to be substantially more favourable (or less favourable) than the performance implied by Nordea's estimates, market consensus and implied market prices. Hence, Nordea' view is that an investment decision should not be based on the performance scenarios.